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U.S. inventory exceeds 1M homes for sale

Source: Newsweek

The number of homes for sale in the U.S. market has just passed the 1 million mark, according to data from Realtor.com and Reventure App, as inventory continues piling up in the market without finding enough willing buyers. Before the pandemic, in May 2019, there were 1,180,934 active listings on the U.S. market, according to Realtor.com and Reventure App data. During the pandemic homebuying frenzy, spurred by historically low mortgage rates and the rise of remote work, U.S. housing inventory plunged to 447,670 in May 2021 – a shortage that brought up prices for the few homes available on the market.

Since then, inventory crawled back up slowly, but it has never been as high as it is now: last month was the first May since 2019 when active listings were above the 1 million mark. This surge in the number of homes for sale is putting downward pressure on home prices in some areas. Active listings have been growing over the past few months in part because of new homes landing on the market, and in part because existing homeowners who were waiting for mortgage rates to come down to sell their homes have resigned to the fact that it is unlikely to happen anytime soon.

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LEADS GHOSTING YOU?

You follow up, say the right things—then silence. They vanish... or buy with someone else.

Here's how top agents stop the ghosting and start converting [>> cont'd](#)

Mortgage misconceptions continue to fuel buyer anxiety

Source: MPAMag

A large majority of Americans continue to view homeownership as a key life milestone, but rising anxieties around affordability and mortgage misconceptions reveal an urgent need for better homebuying education, according to new survey findings from KB Home. In its second annual national survey, conducted by the Harris Poll, KB Home found that 83 percent of Americans still see owning a home as a major life goal. However, 89 percent reported feeling anxious about the process, with affordability concerns, financial stress, and a lack of knowledge fueling buyer hesitation.

The top reasons Americans want to own a home include greater safety and security (47 percent), more space (47 percent), access to outdoor areas like backyards (43 percent), avoiding rent hikes (42 percent), and long-term financial improvement (41 percent). The survey also uncovered major knowledge gaps that could be holding prospective buyers back. Sixty-nine (69) percent mistakenly believe mortgage rates are at an all-time high or are unsure. In fact, rates peaked in 1981 at 18.6 percent, far above today's average of 6.8 percent. Only 37 percent knew that a 20 percent down payment isn't required, and just 25 percent were aware that a mortgage is possible with a credit score in the 500s.

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U.S. wholesale inflation heated up in May

Source: *CNN*

U.S. wholesale inflation rose slightly in May, driven in part by costlier goods; however, tariff-related effects were largely muted. The latest Producer Price Index, a closely watched measurement of wholesale inflation showed that prices paid to producers rose 0.1 percent in May, lifting the annual rate to 2.6 percent, according to Bureau of Labor Statistics data released Thursday.

Economists were expecting that prices would rise 0.2 percent from April and 2.6 percent for the 12 months ended in May. Economists warn, however, that sweeping tariffs are expected to eventually result in some price increases for consumers. The upswing marked a turnabout from a 0.2 percent drop in April, which was driven largely by wholesalers and retailers' margins being squeezed, which economists attributed to high tariffs.

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41% of CA households "cost burdened"

Source: *Yahoo! Finance*

In California, where homes cost about twice as much as the typical U.S. home, 41.1 percent of households were cost-burdened in 2023 – the highest proportion in the country, according to California's Legislative Analyst's Office housing affordability tracker. The U.S. Dept. of Housing and Urban Development considers homeowners cost-burdened if they

spend more than 30 percent of their monthly income on housing, including utilities. They're severely cost-burdened if that figure tops 50 percent. Severely cost-burdened households may have difficulty affording necessities such as food, clothing, transportation and medical care, according to HUD.

Mortgage lenders generally require that an applicant's payments for principal, interest, taxes and insurance don't exceed 25 percent to 28 percent of their gross monthly income. Combined with long-term debt, total obligations usually shouldn't exceed 33 percent to 36 percent.

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Air board rejects smog rules phasing out gas appliances

Source: CalMatters

After a contentious, five-hour hearing, Southern California air quality regulators rejected measures that would have phased out residential gas-powered water heaters and furnaces in the Los Angeles basin. The two rules, designed to clean up one of the biggest sources of the region's severe smog, would have set increasing targets for sales of zero-emission products in Los Angeles, Orange, Riverside and San Bernadino counties for the next decade – beginning with 30 percent in 2027. The targets would not have been mandatory, although manufacturers would pay fees for each natural gas water heater or furnace they sell.

The South Coast Air Quality Management District board in a 7-5 vote rejected its boldest smog-fighting proposal in years. The decision, driven mostly by concerns about affordability, was a rare rebuke of measures

proposed by the agency's staff, which came after years of compromise and efforts to scale back what originally was a mandate phasing out the polluting heaters. The board voted 7-4 to send the two proposed rules back to a committee, which means any new version likely won't be considered until next year. More than 200 people testified at the hearing, and the agency received more than 30,000 written comments, fueled by an aggressive push of opposition from the gas and building industries.

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Mortgage demand rises to highest level in over a month

Source: CNBC

Mortgage interest rates barely moved at all last week, but demand from homebuyers as well as those looking to refinance a current home loan increased. Total mortgage application volume rose 12.5 percent last week compared with the previous week, according to the Mortgage Bankers Association's seasonally adjusted index. While the weekly move may seem large, the volume is still quite low historically.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (of \$806,500 or less) increased to 6.93 percent from 6.92 percent, with points decreasing to 0.64 from 0.66, including the origination fee, for loans with a 20 percent down payment. Applications to refinance a home loan, which are most sensitive to weekly rate moves, rose 16 percent for the week and were 28 percent higher than the same week one year ago. Applications for a mortgage to purchase a home climbed 10 percent for the week and were 20 percent higher than the same week one year ago. Much of that may be due simply to the increase

in available listings. Supply is now about 31 percent higher than it was at this time last year, according to Realtor.com.

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